



Winston H. Hickox
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Agency Secretary

Air Resources Board

Alan C. Lloyd, Ph.D.
Chairman

2020 L Street • P.O. Box 2815 • Sacramento, California 95812 • www.arb.ca.gov



Gray Davis
Governor

MAIL OUT # MSC 00-01

February 4, 2000

TO: All Interested Parties

SUBJECT: PUBLIC MEETINGS FOR THE CARL MOYER PROGRAM ADVISORY
BOARD TO DISCUSS CONTINUED FUNDING FOR THE CARL MOYER
AIR QUALITY STANDARDS ATTAINMENT PROGRAM

Dear Sir/Madam:

The Air Resources Board (Board or ARB) will conduct public meetings for the Carl Moyer Air Quality Standards Attainment Program (the Carl Moyer Program) Advisory Board to consider the need to continue funding the Carl Moyer Program. Pursuant to section 44297 of the Health and Safety Code, the ARB, in cooperation with the districts, must prepare a report on the implementation, to date, of the Carl Moyer Program. In addition, the Carl Moyer Program Advisory Board (Advisory Board) was created by Assembly Bill 1571 to review staff's report, as well as prepare its own report and hold a public hearing on the need for continuing the Carl Moyer Program. The Advisory Board's report must be submitted to the Legislature and the Governor no later than March 31, 2000. The Advisory Board will hold two public meetings and one public hearing before presenting its report to the Legislature and the Governor. All meetings and the hearing are scheduled to occur at the times and place noted below.

DATES: February 8, 2000
February 29, 2000
March 15, 2000 (Hearing)

TIME: 9:00 a.m. to 4:00 p.m.

PLACE: California Air Resources Board
Board Hearing Room
2020 L Street
Sacramento, CA 95814

This facility is accessible to persons with disabilities. If accommodation is needed, please contact Ms. Lucina Negrete at (916) 327-2938 or TDD (916) 324-9531 or (800) 700-8326 for TDD calls from outside the Sacramento area 14 days before the meeting date.

SUMMMARY

Through the 1998/1999 fiscal year budget process, \$25 million was allocated to fund the Carl Moyer Program, an incentive program designed to reduce oxides of nitrogen (NOx) emissions from heavy-duty diesel engines. In February 1999, the Board approved the Carl Moyer Program to provide grants to districts to administer the program and fund projects that reduce NOx emissions. In the summer of 1999, \$24.5 million (\$500,000 is for ARB's administration costs) in grant awards were issued to participating districts. Immediately thereafter, initial funding disbursements were distributed to participating districts and districts began soliciting and selecting projects to fund with the 1998/1999 fiscal year funds.

In August 1999, Governor Gray Davis and the Legislature made a one-time appropriation of \$23 million in the 1999/2000 fiscal year budget to continue the program for a second year. From this \$23 million, \$19 million was allocated to ARB to fund projects that reduce NOx emissions. The remaining \$4 million was allocated to California Energy Commission (CEC) to fund infrastructure and advanced technology projects that support the projects funded by ARB.

In October 1999, Governor Gray Davis signed Assembly Bill 1571 (Brulte/Villaraigosa), codifying the Carl Moyer Program, with some minor modifications. Assembly Bill 1571 also required ARB, with the cooperation of the districts, to develop a report on the status of the Carl Moyer Program. ARB's report was to be submitted to the Governor and the Legislature by January 15, 2000. Lastly, the bill created the 13-member Advisory Board.

The Advisory Board is chaired by myself, Michael P. Kenny -- ARB's Executive Officer, and made up of the following industry representatives:

Commissioner Robert Pernell
CEC Member

CEC

Mr. Kevin Shanahan
President, Cummins West

Heavy-duty Trucking Industry

Mr. John Harris
CEO, Harris Ranch

Agricultural Industry

Ms. Becky Wood
Teichert Aggregates

Construction Industry

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Mr. Kirk Markwald California Environmental Associates	Locomotive Industry
Mr. Larry Keller Port of Los Angeles	Marine Industry
Mr. Tim Carmichael Coalition for Clean Air	Public Interest Environmental Organization
Mr. Mark DeSaulnier Supervisor, Contra Costa County	Regional Transportation Agency
Mr. Robert Garcia Environmental Defense Fund	Assembly Appointee
Mr. Gordon Murley Woodland Hills Homeowners Organization	Assembly Appointee
Ms. Judith Lamare, Ph.D Consulting Political Scientist	Senate Appointee
Mr. Jason Mark Union of Concerned Scientists	Senate Appointee

Nine members were appointed by the Agency Secretary of the California Environmental Protection Agency, and the remaining four (two each) were appointed by the Senate and the Assembly. The Advisory Board must review ARB's report, hold a public hearing on the need for continuing the program, and prepare its own report (with assistance from ARB and CEC), for submittal to the Legislature and the Governor on or before March 31, 2000. The Advisory Board's report may recommend a continued program similar to the approved Carl Moyer Program. It would also recommend revenue sources for funding financial incentives, together with any legislative or budget action needed to implement a continuing program.

On January 27, 2000 the ARB staff presented its Board a report on the status of the Carl Moyer Program. The Carl Moyer Program Status Report -- December 29, 1999, was approved for submittal to the Advisory Board, the Legislature, and the Governor. ARB's staff report, and Board presentation is available electronically on our website at

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<http://www.arb.ca.gov/msprog/moyer/>. The Carl Moyer Program Status Report was submitted to the Advisory Board for review in developing their own report, and is currently being submitted to the Legislature and the Governor as required under Assembly Bill 1571 (Brulte/Villaraigosa).

Over \$80 million in project funding was requested in the first year of the Carl Moyer Program. This is more than three times the available funding for the first year. By March 31, 2000, about 97 percent of the funds from the first year will be obligated to projects. Statewide NOx reductions from this program are estimated to be about four tons per day with average program cost-effectiveness ranging from \$1,100 to \$4,600 per ton of NOx reduced. If funding for the Carl Moyer Program were to continue at \$30 million per year through 2005, this program would achieve about 20 tons per day of NOx reduced. The overwhelming request for funding, and the potential for additional reductions in NOx emissions have demonstrated a need for continued funding.

CALIFORNIA AIR RESOURCES BOARD

/s/

Michael P. Kenny
Executive Officer

Date: February 4, 2000